

**ASSEMBLY BILL**

**No. 752**

**Introduced by Assembly Member Karnette**

February 18, 2005

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An act to amend and repeal Section 8670.37.58 of the Government Code, relating to oil spills.

LEGISLATIVE COUNSEL'S DIGEST

AB 752, as introduced, Karnette. Oil spill contingency planning: financial responsibility.

Existing law establishes in state government the office of administrator for oil spill response and requires the administrator to adopt and implement regulations and guidelines governing the adequacy of oil spill contingency plans.

Under existing law, a nontank vessel, as defined, that is required to have a contingency plan may not enter marine waters of the state unless the nontank vessel owner or operator has provided to the administrator evidence of financial responsibility that demonstrates, to the administrator's satisfaction, the ability to pay at least \$300,000,000 to cover damages caused by a spill, and the owner or operator of the nontank vessel has obtained a certificate of financial responsibility from the administrator for the nontank vessel. However, until January 1, 2006, the administrator is authorized to establish a lower standard of financial responsibility for specified nontank vessels.

This bill would extend indefinitely the authority of the administrator to establish a lower standard of financial responsibility for the specified nontank vessels.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 8670.37.58 of the Government Code, as amended by Section 1 of Chapter 514 of the Statutes of 2002, is amended to read:

8670.37.58. (a) A nontank vessel required to have a contingency plan pursuant to this chapter shall not enter marine waters of the state unless the nontank vessel owner or operator has provided to the administrator evidence of financial responsibility that demonstrates, to the administrator's satisfaction, the ability to pay at least three hundred million dollars (\$300,000,000) to cover damages caused by a spill, and the owner or operator of the nontank vessel has obtained a certificate of financial responsibility from the administrator for the nontank vessel.

(b) Notwithstanding subdivision (a), the administrator may establish a lower standard of financial responsibility for a nontank vessel that has a carrying capacity of 6,500 barrels of oil or less, or for a nontank vessel that is owned and operated by California or a federal agency and has a carrying capacity of 7,500 barrels of oil or less. The standard shall be based upon the quantity of oil that can be carried by the nontank vessel and the risk of an oil spill into marine waters. The administrator shall not set a standard that is less than the expected cleanup costs and damages from an oil spill into marine waters.

(c) The administrator may adopt regulations to implement this section.

~~(d) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.~~

SEC. 2. Section 8670.37.58 of the Government Code, as amended by Section 2 of Chapter 514 of the Statutes of 2002, is repealed.

~~8670.37.58. (a) A nontank vessel, required to have a contingency plan pursuant to this chapter, shall not enter marine waters of the state unless the nontank vessel owner or operator has provided to the administrator evidence of financial responsibility that demonstrates, to the administrator's satisfaction, the ability to pay at least three hundred million~~

1 ~~dollars (\$300,000,000) to cover damages caused by a spill, and~~  
2 ~~the owner or operator of the nontank vessel has obtained a~~  
3 ~~certificate of financial responsibility from the administrator for~~  
4 ~~the nontank vessel.~~

5 ~~(b) The administrator may adopt regulations to implement this~~  
6 ~~section.~~

7 ~~(e) This section shall become operative on January 1, 2006.~~

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